



**BOARD OF PROFESSIONAL ENGINEERS  
AND PROFESSIONAL LAND SURVEYORS**

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November 1, 2002

Roger Madsen  
Task Force Support Team Leader  
C/o Idaho Department of Labor  
317 West Main Street  
Boise, Idaho 83735

Dear Director Madsen and Members of the Task Force:

A number of years ago the Commodity Commissions in the State of Idaho were made "semi-independent" in the sense that they were removed from the appropriation process. Their budgets were removed from the overall State budget and their personnel were no longer counted as State FTE's. Their revenues are controlled by statutes which set the amount they can assess the growers who produce the commodity they promote, but their expenditures are not budgeted through the Joint Finance Appropriation Committee. They remain fiscally accountable through regular financial audits which are submitted to JFAC. Their operational accountability is assured through monitoring of their ability to produce measurable outcomes relative to their mission.

I believe that savings could be realized by allowing the dedicated fund self-governing agencies more independence, similar to that afforded the commodity commissions. There are important differences between the commodity commissions and the dedicated fund self-governing agencies. The commodity commissions' mission is to promote the products they represent. The dedicated fund self-governing agencies mission is to protect the public, not promote the professions which they regulate. Despite this important difference, there are similarities in the manner in which they operate.

For most of the self-governing boards, the statute creating them includes language which makes them "dedicated fund" agencies, and also grants spending authority to them for authorized revenues, not to exceed the account balance. Despite this "continuous appropriation" clause in most of the originating statutes, for many years JFAC has held hearings and prepared appropriation bills for these agencies. There was talk just a few years ago about not writing appropriation bills for these agencies which would result in the "continuous appropriation" clauses of the originating statutes providing spending authority, but the concept did not receive the approval of JFAC.

Semi-independent status for the dedicated fund self-governing agencies would not result in direct savings to the General Fund of the State of Idaho because these agencies do not

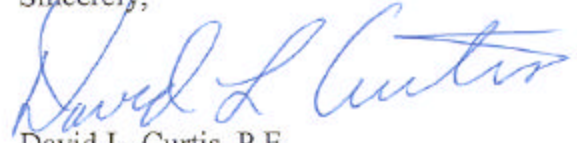
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receive any General Fund money. Indirect savings to the General Fund, however, could be significant in terms of time and effort savings by some other General Fund supported functions. Semi-independent agencies would not require the services of an Analyst from the Division of Financial Management or the Legislative Budget Office. JFAC would have more time to consider the budget needs of General Fund agencies and the time and expense of the Legislature preparing, processing, and acting on appropriation bills for the agencies would be eliminated. Funds of the agencies could continue to be deposited with the State Treasurer and interest on the free fund cash balance could continue to accrue to the General Fund. The agencies could contract with the State Controller for payroll services. All employees would remain eligible for State benefits such as health insurance, PERSI, etc., just as employees of the Commodity Commissions, with the employer costs of these benefits being borne by the agency.

The steps to make the dedicated fund self-governing agencies semi-independent have been taken in numerous other jurisdictions. The result has been the creation of regulatory agencies that can be more responsive to consumer complaints and function more nearly like businesses in the private sector. I believe that the time is right to again consider the opportunity to create semi-independent dedicated fund regulatory boards in Idaho. The result will be indirect savings to the General Fund of the State of Idaho and increased effectiveness in carrying out the mission of the agencies, which is to protect the public.

Sincerely,



David L. Curtis, P.E.  
Executive Director

DLC/dc: Semi-independent self-governing agencies